1 2 3 4	CONFERENCE REPORT ON H.R. 3061 (House of Representatives - December 18, 2001) [Page: H10239]
5 6 7 8	Mr. REGULA submitted the following conference report and statement on the bill (H.R. 3061) ``making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 2002, and for other purposes":
9	Conference Report (H. Rept. 107-342)
10 11 12 13	[continuing Page: H10251]
14 15	TITLE VIEXTENSION OF MARK-TO-MARKET PROGRAM FOR MULTIFAMILY ASSISTED HOUSING
16	SEC. 601. SHORT TITLE AND TABLE OF CONTENTS.
17 18	(a) SHORT TITLE This title may be cited as the ``Mark-to-Market Extension Act of 2001".
19	(b) TABLE OF CONTENTS The table of contents for this title is as follows:
20 21	TITLE VIEXTENSION OF MARK-TO-MARKET PROGRAM FOR MULTIFAMILY ASSISTED HOUSING
22	Sec601Short title and table of contents.
23	Sec602Purposes.
24	Sec603Effective date.
25 26	Subtitle AMultifamily Housing Mortgage and Assistance Restructuring and Section 8 Contract Renewal
27	Sec611Definitions.
28	Sec612Mark-to-market program amendments.
29 30	Sec613Consistency of rent levels under enhanced voucher assistance and rent restructurings.
31	Sec614Eligible inclusions for renewal rents of partially assisted buildings.
32	Sec615Eligibility of restructuring projects for miscellaneous housing insurance.
33	Sec616Technical corrections.
34	Subtitle BOffice of Multifamily Housing Assistance Restructuring

- 35 Sec..621..Reauthorization of Office and extension of program.
- 36 Sec..622..Appointment of Director.
- 37 Sec..623..Vacancy in position of Director.
- 38 Sec..624..Oversight by Federal Housing Commissioner.
- 39 Sec..625..Limitation on subsequent employment.
- 40 Subtitle C--Miscellaneous Housing Program Amendments
- 41 Sec..631..Extension of CDBG public services cap exception.
- Sec..632..Use of section 8 enhanced vouchers for prepayments.
- 43 Sec..633..Prepayment and refinancing of loans for section 202 supportive housing.
- 44 Sec..634..Technical correction.
- 45 SEC. 602. PURPOSES.
- 46 The purposes of this title are--
- 47 (1) to continue the progress of the Multifamily Assisted Housing Reform and
- 48 Affordability Act of 1997 (referred to in this section as "that Act");
- (2) to ensure that properties that undergo mortgage restructurings pursuant to that Act
 are rehabilitated to a standard that allows the properties to meet their long-term
 affordability requirements;
- (3) to ensure that, for properties that undergo mortgage restructurings pursuant to that
 Act, reserves are set at adequate levels to allow the properties to meet their long-term
 affordability requirements;
- (4) to ensure that properties that undergo mortgage restructurings pursuant to that Act
 are operated efficiently, and that operating expenses are sufficient to ensure the long-term
 financial and physical integrity of the properties;
- 58 (5) to ensure that properties that undergo rent restructurings have adequate resources to maintain the properties in good condition;
- (6) to ensure that the Office of Multifamily Housing Assistance Restructuring of the
 Department of Housing and Urban Development continues to focus on the portfolio of
 properties eligible for restructuring under that Act;
- (7) to ensure that the Department of Housing and Urban Development carefully tracks
 the condition of those properties on an ongoing basis;
- (8) to ensure that tenant groups, nonprofit organizations, and public entities continue to
 have the resources for building the capacity of tenant organizations in furtherance of the
 purposes of subtitle A of that Act; and

69 continue to provide participating administrative entities, including public participating 70 administrative entities, with the flexibility to respond to specific problems that individual 71 cases may present, while ensuring consistent outcomes around the country. 72 SEC. 603. EFFECTIVE DATE. 73 Except as provided in sections 616(a)(2), 633(b), and 634(b), this title and the amendments made by this title shall take effect or are deemed to have taken effect, as 74 75 appropriate, on the earlier of--76 (1) the date of the enactment of this title; or 77 (2) September 30, 2001. 78 Subtitle A--Multifamily Housing Mortgage and Assistance Restructuring and 79 **Section 8 Contract Renewal** SEC. 611. DEFINITIONS. 80 81 Section 512 of the Multifamily Assisted Housing Reform and Affordability Act of 82 1997 (42 U.S.C. 1437f note) is amended by adding at the end the following new 83 paragraph: ``(19) **OFFICE**.--The term `Office' means the Office of Multifamily Housing 84 85 Assistance Restructuring established under section 571.". 86 SEC. 612. MARK-TO-MARKET PROGRAM AMENDMENTS. (a) FUNDING FOR TENANT AND NONPROFIT PARTICIPATION.--Section 87 88 514(f)(3)(A) of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note) is amended--89 (1) by striking "Secretary may provide not more than \$10,000,000 annually in 91 funding" and inserting "Secretary shall make available not more than \$10,000,000 92 annually in funding, which amount shall be in addition to any amounts made available 93 under this subparagraph and carried over from previous years,"; and (2) by striking "entities), and for tenant services," and inserting "entities), for tenant 95 services, and for tenant groups, nonprofit organizations, and public entities described in 96 section 517(a)(5),". (b) EXCEPTION RENTS.--Section 514(g)(2)(A) of the Multifamily Assisted 97 Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note) is amended by 99 striking "restructured mortgages in any fiscal year" and inserting "portfolio restructuring 100 agreements". (c) NOTICE TO DISPLACED TENANTS.--Section 516(d) of the Multifamily 101 102 Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note) is

amended by striking "Subject to" and inserting the following:

(9) to encourage the Office of Multifamily Housing Assistance Restructuring to

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104 105 106 107 108	"(1) NOTICE TO CERTAIN RESIDENTS. The Office shall notify any tenant that is residing in a project or receiving assistance under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) at the time of rejection under this section, of such rejection, except that the Office may delegate the responsibility to provide notice under this paragraph to the participating administrative entity.
109	``(2) ASSISTANCE AND MOVING EXPENSESSubject to".
110 111 112	(d) RESTRUCTURING PLANS FOR TRANSFERS OF PREPAYMENT PROJECTS. The Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note) is amended
113	(1) in section 524(e), by adding at the end the following new paragraph:
114 115 116 117 118	``(3) MORTGAGE RESTRUCTURING AND RENTAL ASSISTANCE SUFFICIENCY PLANSNotwithstanding paragraph (1), the owner of the project may request, and the Secretary may consider, mortgage restructuring and rental assistance [Page: H10252] sufficiency plans to facilitate sales or transfers of properties under this subtitle,
119 120 121 122	subject to an approved plan of action under the Emergency Low Income Housing Preservation Act of 1987 (12 U.S.C. 1715l note) or the Low-Income Housing Preservation and Resident Homeownership Act of 1990 (12 U.S.C. 4101 et seq.), which plans shall result in a sale or transfer of those properties."; and
123 124	(2) in the last sentence of section 512(2), by inserting ``, but does include a project described in section 524(e)(3)" after ``section 524(e)".
125 126 127	(e) ADDITION OF SIGNIFICANT FEATURES Section 517 of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note) is amended
128 129 130	(1) by striking subsection (c) (except that the striking of such subsection may not be construed to have any effect on the provisions of law amended by such subsection, as such subsection was in effect before the date of the enactment of this Act);
131	(2) in subsection (b)
132	(A) in paragraph (7), by striking ``(7)" and inserting ``(1)"; and
133	(B) by adding at the end the following new paragraph:
134	``(2) ADDITION OF SIGNIFICANT FEATURES
135 136 137 138 139 140	``(A) AUTHORITYAn approved mortgage restructuring and rental assistance sufficiency plan may require the improvement of the project by the addition of significant features that are not necessary for rehabilitation to the standard provided under paragraph (1), such as air conditioning, an elevator, and additional community space. The Secretary shall establish guidelines regarding the inclusion of requirements regarding such additional significant features under such plans.

141 "(B) FUNDING.--Significant features added pursuant to an approved mortgage 142 restructuring and rental assistance sufficiency plan may be paid from the funding sources 143 specified in the first sentence of paragraph (1)(A). 144 (C) LIMITATION ON OWNER CONTRIBUTION.--An owner of a project may not be required to contribute from non-project resources, toward the cost of any 145 146 additional significant features required pursuant to this paragraph, more than 25 percent 147 of the amount of any assistance received for the inclusion of such features. 148 (D) **APPLICABILITY**.--This paragraph shall apply to all eligible multifamily 149 housing projects, except projects for which the Secretary and the project owner executed 150 a mortgage restructuring and rental assistance sufficiency plan on or before the date of 151 the enactment of the Mark-to-Market Extension Act of 2001."; and 152 (3) by inserting after paragraph (6) of subsection (b) the following: 153 ``(c) REHABILITATION NEEDS AND ADDITION OF SIGNIFICANT 154 FEATURES .-- ". 155 (f) LOOK-BACK PROJECTS .-- Section 512(2) of the Multifamily Assisted Housing 156 Reform and Affordability Act of 1997 (42 U.S.C. 1437f note) is amended by adding after 157 the period at the end of the last sentence the following: "Notwithstanding any other 158 provision of this title, the Secretary may treat a project as an eligible multifamily housing 159 project for purposes of this title if (I) the project is assisted pursuant to a contract for 160 project-based assistance under section 8 of the United States Housing Act of 1937 renewed under section 524 of this Act, (II) the owner consents to such treatment, and (III) 161 the project met the requirements of the first sentence of this paragraph for eligibility as an 163 eligible multifamily housing project before the initial renewal of the contract under 164 section 524.". 165 (g) SECOND MORTGAGES.--Section 517(a) of the Multifamily Assisted Housing 166 Reform and Affordability Act of 1997 (42 U.S.C. 1437f note) is amended--167 (1) in paragraph (1)(B), by striking ``no more than the" and inserting the following: 168 'not more than the greater of--169 "(i) the full or partial payment of claim made under this subtitle; or 170 171 (2) in paragraph (5), by inserting "of the second mortgage, assign the second mortgage to the acquiring organization or agency," after "terms". 172 (h) **EXEMPTIONS FROM RESTRUCTURING**,--Section 514(h)(2) of the 173 174 Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f 175 note) is amended by inserting before the semicolon the following: ", or refinanced pursuant to section 811 of the American Homeownership and Economic Opportunity Act 176 177 of 2000 (12 U.S.C. 1701q note)".

178 179	VOUCHER ASSISTANCE AND RENT RESTRUCTURINGS.
180 181	Subtitle A of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note) is amended by adding at the end the following new section:
182 183	``SEC. 525. CONSISTENCY OF RENT LEVELS UNDER ENHANCED VOUCHER ASSISTANCE AND RENT RESTRUCTURINGS.
184 185 186 187 188 189	"(a) IN GENERAL.—The Secretary shall examine the standards and procedures for determining and establishing the rent standards described under subsection (b). Pursuant to such examination, the Secretary shall establish procedures and guidelines that are designed to ensure that the amounts determined by the various rent standards for the same dwelling units are reasonably consistent and reflect rents for comparable unassisted units in the same area as such dwelling units.
190 191	``(b) RENT STANDARDS The rent standards described in this subsection are as follows:
192 193 194	``(1) ENHANCED VOUCHERS. The payment standard for enhanced voucher assistance under section 8(t) of the United States Housing Act of 1937 (42 U.S.C. 1437f(t)).
195 196	``(2) MARK-TO-MARKET The rents derived from comparable properties, for purposes of section 514(g) of this Act.
197 198	``(3) CONTRACT RENEWALThe comparable market rents for the market area, for purposes of section $524(a)(4)$ of this Act.".
199 200	SEC. 614. ELIGIBLE INCLUSIONS FOR RENEWAL RENTS OF PARTIALLY ASSISTED BUILDINGS.
201 202 203 204 205 206 207 208 209	Section 524(a)(4)(C) of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note) is amended by adding after the period at the end the following: `Notwithstanding any other provision of law, the Secretary shall include in such budget-based cost increases costs relating to the project as a whole (including costs incurred with respect to units not covered by the contract for assistance), but only (I) if inclusion of such costs is requested by the owner or purchaser of the project, (II) if inclusion of such costs will permit capital repairs to the project or acquisition of the project by a nonprofit organization, and (III) to the extent that inclusion of such costs (or a portion thereof) complies with the requirement under clause (ii)."
210 211	SEC. 615. ELIGIBILITY OF RESTRUCTURING PROJECTS FOR MISCELLANEOUS HOUSING INSURANCE.
212	Section 223(a)(7) of the National Housing Act (12 U.S.C. 1715n(a)(7)) is amended
213 214 215	(1) by striking ``under this Act: <i>Provided</i> , That the principal" and inserting the following: ``under this Act, or an existing mortgage held by the Secretary that is subject to a mortgage restructuring and rental assistance sufficiency plan pursuant to the

- 216 Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f 217 note), provided that--218 ``(A) the principal"; 219 (2) by striking "except that (A)" and inserting "except that (i)"; 220 (3) by striking ``(B)" and inserting ``(ii)"; 221 (4) by striking ``(C)" and inserting ``(iii)"; 222 (5) by striking ``(D)" and inserting ``(iv)"; 223 (6) by striking `: Provided further, That a mortgage" and inserting the following `; 224 and 225 ``(B) a mortgage"; 226 (7) by striking "or" at the end; and 227 (8) by adding at the end the following new subparagraph: 228 ``(C) a mortgage that is subject to a mortgage restructuring and rental assistance 229 sufficiency plan pursuant to the Multifamily Assisted Housing Reform and Affordability 230 Act of 1997 (42 U.S.C. 1437f note) and is refinanced under this paragraph may have a 231 term of not more than 30 years; or". 232 SEC. 616. TECHNICAL CORRECTIONS. 233 (a) EXEMPTIONS FROM RESTRUCTURING.--234 (1) IN GENERAL .-- Section 514(h) of the Multifamily Assisted Housing Reform and 235 Affordability Act of 1997 (42 U.S.C. 1437f note) is amended to read as if the amendment 236 made by section 531(c) of Public Law 106-74 (113 Stat. 1116) were made to "Section 237 514(h)(1)" instead of ``Section 514(h)". (2) **RETROACTIVE EFFECT**.--The amendment made by paragraph (1) of this 238 239 subsection is deemed to have taken effect on the date of the enactment of Public Law 240 106-74 (113 Stat. 1109). 241 (b) OTHER .-- The Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note) is amended--242 243 (1) in section 511(a)(12), by striking "this Act" and inserting "this title"; (2) in section 513, by striking ``this Act" each place such term appears in subsections (a)(2)(I) and (b)(3) and inserting ``this title"; 244
- (3) in section 514(f)(3)(B), by inserting "Housing" after "Multifamily"; 246
- 247 (4) in section 515(c)(1)(B), by inserting "or" after the semicolon;

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- 248 (5) in section 517(b)--249 (A) in each of paragraphs (1) through (6), by capitalizing the first letter of the first 250 word that follows the paragraph heading; 251 (B) in each of paragraphs (1) through (5), by striking the semicolon at the end and 252 inserting a period; and 253 (C) in paragraph (6), by striking ``; and" at the end and inserting a period; 254 (6) in section 520(b), by striking "Banking and"; and 255 (7) in section 573(d)(2), by striking "Banking and". 256 Subtitle B--Office of Multifamily Housing Assistance Restructuring SEC. 621. REAUTHORIZATION OF OFFICE AND EXTENSION OF 257 258 PROGRAM. 259 Section 579 of the Multifamily Assisted Housing Reform and Affordability Act of 260 1997 (42 U.S.C. 1437f note) is amended--(1) by striking subsection (a) and inserting the following new subsection: 261 262 ``(a) REPEALS .--``(1) MARK-TO-MARKET PROGRAM.--Subtitle A (except for section 524) is 263 264 repealed effective October 1, 2006. 265 ``(2) OMHAR.--Subtitle D (except for this section) is repealed effective October 1, 266 2004."; 267 (2) in subsection (b), by striking "October 1, 2001" and inserting "October 1, 2006"; 268 (3) in subsection (c), by striking "upon September 30, 2001" and inserting "at the end 269 of September 30, 2004"; and 270 (4) by striking subsection (d) and inserting the following new subsection: 271 ``(d) TRANSFER OF AUTHORITY.--Effective upon the repeal of subtitle D under 272 subsection (a)(2) of this section, all authority and responsibilities to administer the 273 program under subtitle A are transferred to the Secretary.". 274 SEC. 622. APPOINTMENT OF DIRECTOR.
 - (a) IN GENERAL.—Section 572 of the Multifamily Assisted Housing Reform and
 Affordability Act of 1997 (42 U.S.C. 1437f note) is amended by striking subsection (a)
 and inserting the following new subsection:
 - 278 ``(a) APPOINTMENT.--The Office shall be under the management of a Director,279 who shall be appointed by the President from among individuals who are citizens of the

280 281 282	United States and have a demonstrated understanding of financing and mortgage restructuring for affordable multifamily housing.". [Page: H10253]
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283 284 285 286	(b) APPLICABILITYThe amendment made by subsection (a) shall apply to the first Director of the Office of Multifamily Housing Assistance Restructuring of the Department of Housing and Urban Development appointed after the date of the enactment of this Act, and any such Director appointed thereafter.
287	SEC. 623. VACANCY IN POSITION OF DIRECTOR.
288 289 290	(a) IN GENERAL Section 572 of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note) is amended by striking subsection (b) and inserting the following new subsection:
291 292 293	``(b) VACANCYA vacancy in the position of Director shall be filled by appointment in the manner provided under subsection (a). The President shall make such an appointment not later than 60 days after such position first becomes vacant.".
294 295 296 297	(b) APPLICABILITY The amendment made by subsection (a) shall apply to any vacancy in the position of Director of the Office of Multifamily Housing Assistance Restructuring of the Department of Housing and Urban Development which occurs or exists after the date of the enactment of this Act.
298	SEC. 624. OVERSIGHT BY FEDERAL HOUSING COMMISSIONER.
299 300	(a) IN GENERAL Section 578 of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note) is amended to read as follows:
301	``SEC. 578. OVERSIGHT BY FEDERAL HOUSING COMMISSIONER.
302 303 304	``All authority and responsibilities assigned under this subtitle to the Secretary shall be carried out through the Assistant Secretary of the Department of Housing and Urban Development who is the Federal Housing Commissioner.".
305 306 307 308	(b) REPORT The second sentence of section 573(b) of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note) is amended by striking "Secretary" and inserting "Assistant Secretary of the Department of Housing and Urban Development who is the Federal Housing Commissioner".
309	SEC. 625. LIMITATION ON SUBSEQUENT EMPLOYMENT.
310 311 312	Section 576 of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note) is amended by striking ``2-year period" and inserting ``1-year period".
313	Subtitle CMiscellaneous Housing Program Amendments

314 SEC. 631. EXTENSION OF CDBG PUBLIC SERVICES CAP EXCEPTION.

315 316	Section $105(a)(8)$ of the Housing and Community Development Act of 1974 (42 U.S.C. $5305(a)(8)$) is amended by striking ``through 2001" and inserting ``through 2003".
317 318	SEC. 632. USE OF SECTION 8 ENHANCED VOUCHERS FOR PREPAYMENTS.
319 320 321 322 323	Section 8(t)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437f(t)(2)) is amended by inserting after ``insurance contract for the mortgage for such housing project" the following: ``(including any such mortgage prepayment during fiscal year 1996 or a fiscal year thereafter or any insurance contract voluntary termination during fiscal year 1996 or a fiscal year thereafter)".
324 325	SEC. 633. PREPAYMENT AND REFINANCING OF LOANS FOR SECTION 202 SUPPORTIVE HOUSING.
326 327	(a) IN GENERAL Section 811 of the American Homeownership and Economic Opportunity Act of 2000 (12 U.S.C. 1701q note) is amended by striking subsection (e).
328 329 330 331 332	(b) EFFECTIVENESS UPON DATE OF ENACTMENTThe amendment made by subsection (a) of this section shall take effect upon the date of the enactment of this Act and the provisions of section 811 of the American Homeownership and Economic Opportunity Act of 2000 (12 U.S.C. 1701q note), as amended by subsection (a) of this section, shall apply as so amended upon such date of enactment, notwithstanding
333 334 335 336	(1) any authority of the Secretary of Housing and Urban Development to issue regulations to implement or carry out the amendments made by subsection (a) of this section or the provisions of section 811 of the American Homeownership and Economic Opportunity Act of 2000 (12 U.S.C. 1701q note); or
337 338	(2) any failure of the Secretary of Housing and Urban Development to issue any such regulations authorized.
339	SEC. 634. TECHNICAL CORRECTION.
340 341 342	(a) IN GENERAL Section 101(a) of Public Law 100-77 (42 U.S.C. 11301 note) is amended to read as if the amendment made by section 1 of Public Law 106-400 (114 Stat. 1675) were made to ``Section 101" instead of ``Section 1".
343 344 345	(b) RETROACTIVE EFFECT .—The amendment made by subsection (a) of this section is deemed to have taken effect immediately after the enactment of Public Law 106-400 (114 Stat. 1675).
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